GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2991
ANSWERED ON:12.08.2005
FDI IN BANKS QUESTION
Gandhi Smt. Maneka

Will the Minister of FINANCE be pleased to state:

(a) whether there are any moves by the Ministry to speed up the opening of the banking sector and allow foreign firms more than 49 percent investment limit; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) & (b) A notification was issued by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce on 5th March, 2004 raising the Foreign Direct Investment (FDI) limit in private Banks from 49% to 74%. Reserve Bank of India (RBI) has issued guidelines on Ownership and Governance in Private Sector Banks and a Road Map for presence of foreign banks in India on 28.02.2005 which are available on the RBI website www.rbi.org.in.